

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



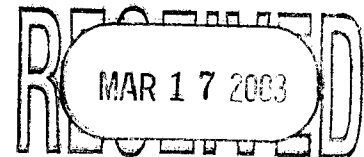
G-02527A  
Graham County Utilities, Inc. (Gas Division)  
P. O. Drawer B  
Pima AZ 85543-0000

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2002
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ARIZONA CORPORATION  
COMMISSION



Director of Utilities

FOR COMMISSION USE

ANN 02	02
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*Entered  
3-17-03  
C.M.  
2002 Assessment  
is updated  
C.*

## COMPANY INFORMATION

**Company Name (Business Name)** Graham County Utilities, Inc. - Gas

**Mailing Address** PO Drawer B  
(Street)

Pima  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9491

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** russeb@gce.coop

**Local Office Mailing Address** PO Drawer B  
(Street)

Pima  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9491

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** russeb@gce.coop

## MANAGEMENT INFORMATION

**Management Contact:** Russ Barney

**Finance Manager**

(Name)

(Title)

PO Drawer B  
(Street)

Pima  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9451

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** russeb@gce.coop

**On Site Manager:** Steve M. Lines

(Name)

Po Drawer B  
(Street)

Pima  
(City)

Arizona  
(State)

85543  
(Zip)

(928) 485-2451

(928) 485-9451

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** slines@gce.coop

**Statutory Agent:** Leven B. Ferrin

(Name)

1536 Cherokee Lane

Safford

Arizona

85546

(Street)

(City)

(State)

(Zip)

(928) 428-1602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Michael M. Grant

(Name)

2575 East Camelback Road

Phoenix

Arizona

85016-9225

(Street)

(City)

(State)

(Zip)

(602) 530-8000

(602) 530-8500

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☒ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

## SERVICES AUTHORIZED TO PROVIDE

Check the following box/s for the services that you are authorized to provide:

☐ **Electric**

- ☐ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
  - ☐ Transmission Service Provider
  - ☐ Meter Service Provider
  - ☐ Meter Reading Service Provider
  - ☐ Billing and Collection
  - ☐ Ancillary Services
  - ☐ Generation Provider
  - ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☒ **Gas**

- ☒ Natural Gas
- ☐ Propane

☐ **Other** (Specify) \_\_\_\_\_  
\_\_\_\_\_

## STATISTICAL INFORMATION

### TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	_____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

**STATISTICAL INFORMATION (CONT'D)**

**ELECTRIC UTILITY PROVIDERS ONLY**

Total number of customers	_____
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
Total kilowatt-hours sold	_____ kWh
Residential	_____
Commercial	_____
Industrial	_____
Public street and highway lighting	_____
Irrigation	_____
Resale	_____
Maximum Peak Load	_____ MW

**GAS UTILITIES ONLY**

Total number of customers	_____
Residential	4,448
Commercial	237
Industrial	_____
Irrigation	4
Resale	_____
Total therms sold	_____ therms
Residential	2,015,416
Commercial	717,960
Industrial	_____
Irrigation	29,911
Resale	_____

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**  
MAR 17 2003

Director of Utilities

**VERIFICATION**STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Graham</u>	
NAME (OWNER OR OFFICIAL) TITLE <u>Steve M. Lines</u>	<u>General Manager</u>
COMPANY NAME <u>Graham County Utilities, Inc. - Gas</u>	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION****FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 2,936,386

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 176,857  
IN SALES TAXES BILLED, OR COLLECTED)

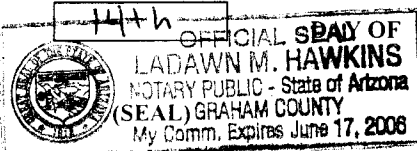
\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Steve M. Lines  
SIGNATURE OF OWNER OR OFFICIAL  
(928) 485-2451  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



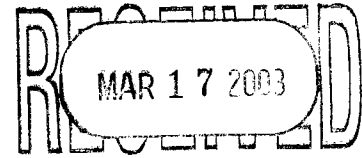
COUNTY NAME <u>Graham</u>	
MONTH <u>March</u>	YEAR <u>2003</u>

Ladawn M. Hawkins  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 17th, 2006

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Graham	
NAME (OWNER OR OFFICIAL) Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Utilities, Inc. Gas	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ 2,240,847
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(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 136,195  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Steve M. Lines  
SIGNATURE OF OWNER OR OFFICIAL

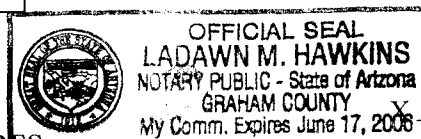
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

(SEAL)

MY COMMISSION EXPIRES



June 17, 2006

NOTARY PUBLIC NAME LADAWN M. Hawkins	
COUNTY NAME Graham	
MONTH March	20 03

LADAWN M. Hawkins  
SIGNATURE OF NOTARY PUBLIC

Docket No. G-02527A

Year Ending: 12-31-02

Company Name: Graham County Utilities, Inc. - Gas

Rules to follow in designing the Income Statement and the Balance Sheet:

A. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a statement of income for the reporting year similar in format to R14.2.103, Schedule (C) (1) or similar in format to R14.2.103 Schedule (E) (2). Also, the above-referenced Rule states that the income statement shall be Arizona-specific and reflect operating results in Arizona.

Unfortunately, the two Schedules referenced above are both designed for a rate case filing, and, as such, contain certain terminology, such as "test year", "actual (accounting data) for test year", "pro forma adjustments" and "test year results after pro forma adjustments", and contain references to two prior fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the two acceptable formats for the statement of income (the first based on Schedule (C) (1) and the second on Schedule (E) (2)):

**\*\* THE INCOME STATEMENT SHOULD RESEMBLE EITHER FIGURE 1A OR FIGURE 1B, SHOWN BELOW. (IT'S NOT NECESSARY TO FILE BOTH.) EITHER USE FIGURE 1A OR FIGURE 1B, FOR YOUR INCOME STATEMENT FILING. THE INCOME STATEMENT SHALL BE ARIZONA-SPECIFIC, AND REFLECT OPERATING RESULTS IN ARIZONA: \*\***

FIGURE 1A	Per Books	Sales Tax	Franchise Fee	Per ACC Report
<u>Account Description</u>	<u>\$ Amount</u>			
Revenues:	2,736,743	176,857	22,786	2,936,386
Expenses:	2,685,318			
Operating Income:	51,425			
Net Income:	61,124			



Docket No. G-02527A

Year Ending: 12-31-02

Company Name: Graham County Utilities, Inc. - Gas

B. Arizona Administrative Code, R14.2.1115.F, states that one of the items required in this Annual Report is a balance sheet as of the end of the reporting year similar in format to R14.2.103, Schedule (E) (1). Also, the above-referenced Code section states that the balance sheet shall be Arizona-specific. Unfortunately, the Schedule referenced above is designed for a rate case filing, and, as such, contains certain terminology, such as "test year" and references to two prior Fiscal years, which are not applicable to this Annual Report. The illustration below eliminates the rate case terminology and presents the acceptable format for the balance sheet:

C. ***\*\* THE BALANCE SHEET SHOULD RESEMBLE FIGURE 2 SHOWN BELOW  
AND SHALL BE ARIZONA-SPECIFIC: \*\****

**FIGURE 2**

**Account Description**

**\$ Amount**

**ASSETS**

Property, Plant & Equipment: 1,621,507

Current Assets: 262,066

Total Assets: 2,088,885

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Capitalization: -107,060

Current Liabilities: 722,734

Total Liabilities and Stockholders' Equity: 2,088,885